

Message Text

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16

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 SS-15 NSC-05 SP-02

L-03 H-02 CIAE-00 INR-07 NSAE-00 FRB-03 OES-03 AID-05

XMB-02 OMB-01 /078 W

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R 300914Z MAY 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8458

INFO AMCONSUL MEDAN

AMCONSUL SURABAYA

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

LIMITED OFFICIAL USE JAKARTA 6573

DEPT PASS TREASURY OFFICE OF COMPTROLLER

HONG KONG PASS TREASURY ATTACHE

DEPT PASS FEDERAL RESERVE BOARD OF BANK EXAMINER UNIT

E.O. 11652: N/A

TAGS: EFIN, ID

SUBJECT: BANK INDONESIA TRADE DEBT SETTLEMENT

REF: JAKARTA 6323

1. BANK INDONESIA (BI) FOREIGN DEPT DIRECTOR
DR. ISMAEL ADVISED E/CM COUNSELOR MAY 30 OF
FOLLOWING DECISIONS AIMED AT ACCELERATING SETTLEMENT
OF BANK DEBTS ON L/C'S ISSUED BY PERTAMINA (SEE
REFTEL):

A. PLANNING MINISTER WIDJOJO, BI GOVERNOR
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RACHMAD SALEH AND TRADE MINISTER PRAWIRO HAVE AGREED

TO RETURN RESPONSIBILITY TO BANK INDONESIA FOR BANK
DEBT UNDER TRADE (L/C) TRANSACTIONS. FORMAL DECISION
EXPECTED EARLY NEXT WEEK.

B. ON BASIS OF THIS AGREEMENT BI HAS BEGUN TO
RECONCILE BANK CLAIMS WITH PERTAMINA DATA AND EXPECTS
TO COMPLETE THIS TASK NEXT WEEK. OF TOTAL \$58 MILLION
OUTSTANDING, DISCREPANCY TO BE RECONCILED IS \$2 MILLION.
BI NOW PUSHING PERTAMINA TO REQUEST PAYMENT ON ALL L/C
AMOUNTS AS THEY ARE RECONCILED. EMBASSY JUDGES
PAYMENTS ON RECONCILED CLAIMS WILL BE COMPLETED WITHIN
NEXT 2-4 WEEKS.

C. BANK INDONESIA SENDING TELEX TO KUHN LOEB, N.Y.,
REQUESTING IT TO RELAY THIS INFORMATION TO MARINE MIDLAND
BANK AND TO PLANTERS UNION BANK, MEMPHIS. SAME
INFORMATION BEING RELAYED DIRECTLY TO MARINE MIDLAND
JAKARTA REPRESENTATIVE.

2. IN RESPONSE TO QUESTIONS, ISMAEL ADVISED THAT GOI
EURODOLLAR BORROWING, LED BY MORGAN GUARANTY, NOW SET
AT \$400 MILLION AND SIGNING SCHEDULED FOR LONDON
JUNE 6. GOI EXPECTS TO SIGN 150-MILLION-DOLLAR LOAN
FROM JAPAN IN TOKYO JUNE 16. TO COMPLETE FINANCE
FOR PENDING EXPORT CREDIT-SUPPORTED PROJECT
BORROWING, PERHAPS 2-3 MONTHS FROM NOW, ISMAEL NOW
LEANS TOWARD GENERAL SYNDICATION INSTEAD OF INDIVIDUAL
BANK-BY-BANK, PROJECT-BY-PROJECT APPROACH.

3. SEPTTEL FOLLOWS GIVING REVISED MISSION ESTIMATES
ON RESERVE AND BALANCE OF PAYMENTS OUTLOOK STEMMING
FROM LATEST DEBT AND TRADE DEVELOPMENTS.
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